

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

ZHAOYIN WANG
Plaintiff,

v.

BETA PHARMA, INC., DON ZHANG,
AND ZHEJIANG BETA PHARMA
CO., LTD.,
Defendants.

Civil Action No. 3:14-cv-01790-VLB

JULY 21, 2015

PLAINTIFF'S SUPPLEMENT TO RESPONSE TO ORDER TO SHOW CAUSE

Plaintiff hereby supplements his response to Order to Show Cause filed July 21, 2015, by attaching hereto a copy of previously-sealed Exhibit 16 to the Supplemental Affidavit of Don Zhang dated January 30, 2015, Docket Entry 67-2, filed under seal in the case of Shao, et al., v. Beta Pharma, et al., United States District Court, District of Connecticut Docket No. 3:14-cv-01177 (CSH). Plaintiff also attaches the email from defense counsel authorizing the release of this document for public filing in this case.

Exhibit 16 is the Zhejaing Beta Pharmaceutical Co., Ltd., Resolution of the Second Board Meeting of 2012, dated September 13, 2012 ("the Resolution"). The Resolution demonstrates ZBP's exercise of control over the transfer of its shares among stockholders. The third paragraph of the Resolution reads in full as follows:

According to the provisions of the *Company Law of the People's Republic of China* and the *Sino-Foreign Joint Venture Law of the People's Republic of China*, for shares transferred by Sino-foreign joint venture

shareholders, they shall be implemented after the approval of the board of the directors of joint venture and reporting to the Department of Commerce for approval. Under the same conditions, the original shareholders enjoy the rights for preferred subscription right of equity transfer. Without the approval of the board of directors of the company and reporting to the Department of Commerce for approval, any actions such as any share transfer and shareholding entrusted are not subject to legal protection of China and do not have the legitimacy. At the same time, according to the provisions of article 17 on *IPO and Listing Regulations on Start up Board*; the issuer's equity must be clear, and cases like shareholding entrusted, etc. are not allowed. So, if there is shareholdings entrusted in the company, the equity cleaning-up should be done before the company's restructuring reference date (December 31, 2012), shareholders shall issue written statements about their holding of shares in the company that do not have shareholding entrusted or share repurchase, etc.

Hereby resolved!

The language demonstrates that ZBP was not a "mere stakeholder" uninterested in the ownership and transfer of its shares. Rather, the company was aware that, "Currently, the company's shares are relatively dispersed, we suggest the company to make sure the equity stability before its listing, thus avoiding a large number of share transferring, reduction and matters that are possible to affect the company's share stability or the actual controller identification." (Resolution, at Par. 2). ZBP then took affirmative steps to require its shareholders to enter into transactions to recapture any "shareholding entrusted" to accomplish the "equity cleaning up" by December 31, 2012.

Plaintiff Wang alleges in his Complaint that he acquired his shares in ZBP as a result of entering into a partnership agreement with Beta Pharma, and that he performed under the Beta Pharma agreement, and was entitled to ownership and control over his shares. Further, there is no evidence that Beta Pharma or

Don Zhang accomplished the repurchase of plaintiff's shares, or entered into any transaction with Wang that would repurchase or otherwise "clean up" his equity. Thus, it is plaintiff's position that he still owns his ZBP stock, and is accordingly entitled to all indicia of ownership including ". . . . the rights for preferred subscription right of equity transfer" referenced in the Resolution. Given plaintiff's claims, it is clear that plaintiff is engaged in a real controversy with ZBP, that ZBP is not a "mere stakeholder", and has not been fraudulently joined in this litigation.

PLAINTIFF ZHAOYIN WANG,

By: /s/
Jonathan Katz, Esq.
Jacobs & Dow, LLC
350 Orange Street
New Haven, Connecticut 06511
Telephone: (203) 772-3100
Facsimile: (203) 772-1691
Federal Juris No.: ct00182
Email jkatz@jacobsllaw.com

CERTIFICATE OF SERVICE

I hereby certify that on July 21, 2015, a copy of the foregoing was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

/s/

Jonathan Katz, Esq.
Jacobs & Dow, LLC
350 Orange Street
New Haven, Connecticut 06511
Telephone: (203) 772-3100
Facsimile: (203) 772-1691
Federal Juris No.: ct00182
Email jkatz@jacobsllaw.com

Jonathan Katz

From: Caldwell, Michael G. <Michael.Caldwell@leclairryan.com>
Sent: Tuesday, July 21, 2015 9:42 AM
To: Jonathan Katz
Cc: 'Kolpen, Jack'; 'Kurtis, Benjamin R.' (bkurtis@foxrothschild.com); Glenn Duhl (gduhl@siegeloconnor.com)
Subject: Resolution [IWOV-LECLAIR5.FID1027896]

Jonathan:

We received the word from ZIBP that the Board Resolution is not confidential. Consequently, under Paragraph 8 of the Protective Order, the Shao defendants hereby withdraw the designation of the Resolution as "Confidential" or "Attorneys' Eyes Only." This withdrawal applies to the Resolution that was filed as Exhibit 16 to the Shao defendants' reply brief on the Motion to Disqualify, and to no other document.

Best,
Mike

Michael G. Caldwell
Attorney at Law
LECLAIRRYAN
545 Long Wharf Drive, Ninth Floor
New Haven, Connecticut 06511
(203) 672-1636 Direct
(203) 672-1656 Fax
Michael.Caldwell@leclairryan.com
<http://www.leclairryan.com>

Please consider the environment before printing this email.

* This e-mail may contain confidential or privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail with a copy to emailadministrator@leclairryan.com and delete this e-mail and all copies and attachments.

Exhibit 16

浙江贝达药业有限公司

2012 年第二次董事会会议决议

浙江贝达药业有限公司（以下简称“贝达药业”或“公司”）2012 年第二次董事会会议于 2012 年 9 月 13 日在公司办公室召开，应到董事 5 名，实到董事 3 名，DON ZHANG 董事未能亲自出席，委托 LANCE Y. LIU 先生出席并进行表决，Yi Shi 董事未能亲自出席，委托陈飞博士出席并进行表决，公司部分高级管理人员列席了会议。会议召开和表决程序符合《中华人民共和国公司法》和《浙江贝达药业有限公司章程》等有关法律、法规和规章的规定。会议由董事长丁列明主持，经与会董事审议，形成如下决议：

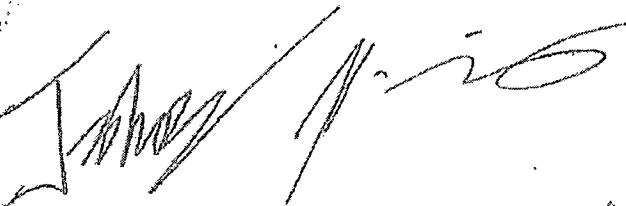
一、4 票通过，0 票反对，1 票（LANCE Y. LIU）弃权，审议通过《保证公司上市前的股权稳定性的议案》。

发行人股权稳定性是证监会审核创业板 IPO 的重要关注点之一，公司目前股权相对分散，建议公司在上市之前，保证公司股权的稳定，尽量避免股份的大量转让、减持等可能影响公司股份稳定或实际控制人认定的事项。

根据《中华人民共和国公司法》和《中华人民共和国中外合资企业法》的规定，中外合资公司的股东转让股权的，需经合资公司董事会批准并报经商务部门批准后执行，同等条件下原股东享有股权转让的优先认购权。任何未经公司董事会批准并报经商务部门批准的股权转让、委托持股等行为，均不受中国法律保护且不具有合法性。同时，根据《首次公开发行股票并在创业板上市管理办法》第十七条规定，发行人的股权必须清晰，不能存在委托持股等情况，因此，公司的如存在委托持股情况，应在公司改制基准日（为 2012 年 12 月 31 日）前完成股权的清理，股东应对其持有公司股权不存在委托代持、股权回购等出具书面承诺。

特此决议！

与会董事签字：



2012.9.13 陈飞 (代) lance liu (代)

ATTORNEYS' EYES ONLY

Subject to Protective Order Dated January 16, 2015

Released from protective order by agreement 7/21/15

Zhejiang Beta Pharmaceutical Co., Ltd.

Resolution of the Second Board Meeting of 2012

The second board meeting of 2012 of Zhejiang Beta Pharmaceutical Co., Ltd. (hereinafter referred to as "Beta Pharma" or "the company") was held in the company office on Sep. 13, 2012. It is a board of 5 directors, but 3 ones were present, director DON ZHANG did not attend personally and authorized Mr. LANCE Y. LIU to attend the meeting and vote. Director Yi Shi did not attend personally as well and authorized Doctor Chen Fei to attend the meeting and vote, so some of the company's senior management personnel attended the meeting. The meeting and voting procedures were in compliance with the *Company Law of the People's Republic of China* and the *Articles of Association of Zhejiang Beta Pharmaceutical Co., Ltd.* and other relevant laws, regulations and rules, etc. The board meeting was chaired by Ding Lieming, board chairman, after consideration of the directors attending the meeting, the following resolution was concluded:

I. The Proposal of Assuring the Company's Equity Stability before Listing was reviewed and approved with the votes of 4 in favor, 0 against and 1 abstention (LANCE Y. LIU)

The equity stability of issuers is one of the main focuses for IPO of Start Up Board which is audited by China Securities Regulatory Commission. Currently, the company's shares are relatively dispersed, we suggest the company to make sure the equity stability before its listing, thus avoiding a large number of share transferring, reduction and matters that are possible to affect the company's share stability or the actual controller identification.

According to the provisions of the *Company Law of the People's Republic of China* and the *Sino-Foreign Joint Venture Law of the People's Republic of China*, for shares transferred by Sino-foreign joint venture shareholders, they shall be implemented after the approval of the board of the directors of joint venture and reporting to the Department of Commerce for approval. Under the same conditions, the original shareholders enjoy the rights for preferred subscription right of equity transfer. Without the approval of the board of directors of the company and reporting to the Department of Commerce for approval, any actions such as any share transfer and shareholding entrusted are not subject to legal protection of China and do not have the legitimacy. At the same time, according to the provisions of article 17 on *IPO and Listing Regulations on Start up Board*, the issuer's equity must be clear, and cases like shareholding entrusted, etc. are not allowed. So, if there is shareholdings entrusted in the company, the equity cleaning-up should be done before the company's restructuring reference date (December 31, 2012), shareholders shall issue written statements about their holding of shares in the company that do not have shareholding entrusted or share repurchase, etc.

Hereby resolved!

Seal: ZHEJIANG BETA PHARMA INCORPORATION

Signatures of the directors attending the meeting: Ding Lieming Wang Yinxiang
Wang Xuechao Chen Fei(Signed on behalf) lance liu(Signed on behalf)

ATTORNEY'S EYES ONLY

Subject to Protective Order dated January 15, 2015

Released from Protective Order by agreement 7/21/15